

City of Detroit

CITY COUNCIL

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TO: The Honorable Detroit City Council

FROM: David Whitaker *DW*
Nkrumah Johnson-Wynn *NJW*
Sherée Edwards *SE*

DATE: April 7, 2006

RE: **STATUS REPORT REGARDING THE PROPOSED
WATER AFFORDABILITY PROGRAM**

Lawyers from the Law Department and the Research and Analysis Division (RAD) met with lawyers from Michigan Legal Services and the Michigan Poverty Law Program on April 4th via conference call. Also present on the call were Bart Foster, rate consultant for the Detroit Water and Sewerage Department (DWSD), and Roger Colton, author of the water affordability proposal.

During the meeting, we discussed a number of concerns raised by Mr. Foster, Mr. Colton, and representatives of the Michigan Poverty Law Program and Michigan Legal Services. At conclusion of the meeting, the parties agreed to review the proposal (summarized below) with their respective clients:

- DWSD would fund a water affordability program (to be designed with the assistance of Roger Colton and administered by a third party) with a \$5 million dollar funding level for the 2006-07 fiscal year which begins on July 1, 2006;
- DWSD would implement an opt-out check off contribution on water bills for all City of Detroit customers to help fund the water affordability program during the 2006-07 fiscal year;
- DWSD, with the assistance of lawyers from Michigan Legal Services and the Michigan Poverty Law Center, would seek emergency funding from the state Emergency Relief program to help offset pre-program arrears for program participants; and

- DWSD would freeze pre-program arrears for program participants.

The next meeting was scheduled to proceed (via conference call) on Thursday, April 6, 2006 at 3:30 p.m. At approximately 11:30 a.m. on the morning of the 6th, RAD received an e-mail message from Lorry Brown of the Michigan Poverty Law Center with an attachment, which outlined the proposal but also included several additional concerns not discussed on Tuesday. Ms. Brown indicated that she discussed the additional concerns with her clients in hopes that they would provide comments in advance of the conference call. She also stated that in light of the additional concerns, she thought it would be beneficial to share the proposal with the group prior to the meeting.

In his response to Ms. Brown's message, Bob Walter of the Law Department noted her clients had not signed off on the proposal and stated that he did not have time to review the changes in advance of the conference call. For those reasons, Mr. Walter indicated that it would be best to postpone the conference call until the week of April 10th. In the interim, he would respond to the proposal in writing and contact Ms. Brown about re-scheduling the conference call.

RAD is aware that Mr. Walter reviewed the proposal with the Director of DWSD and subsequently e-mailed his response to the working group along with proposed dates and times for the next conference call.